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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (date of earliest event reported):

November 15, 2005

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**PROGRESS SOFTWARE CORPORATION**

*(Exact name of registrant as specified in its charter)*

**Massachusetts**

*(State or other jurisdiction  
of incorporation)*

**0-19427**

*(Commission  
File Number)*

**04-2746201**

*(IRS Employer  
Identification No.)*

**14 Oak Park, Bedford, Massachusetts**

*(Address of principal executive offices)*

**01730**

*(Zip Code)*

Registrant's telephone number, including area code:

**(781) 280-4000**

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**Not Applicable**

*(Former name or former address, if changed since last report)*

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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**Item 1.01 Entry into a Material Definitive Agreement**

On November 15, 2005, the Compensation Committee of the Board of Directors of Progress Software Corporation (“Progress”) approved the annual grant of stock options to directors, officers and employees of Progress.

On that date, the Compensation Committee also initiated the use of restricted stock awards as a form of compensation for some employees of Progress and Sonic Software, a wholly owned subsidiary of Progress. Under these awards, the employees receive shares of Progress common stock at no cost, but the shares are subject to restrictions on transfer. The shares of restricted stock vest over time and are subject to forfeiture until they vest. Subject to the restriction on transfer and the forfeiture provisions, the shares of restricted stock otherwise confer the rights and benefits to which a holder of Progress common stock is entitled, including the right to vote.

Also on that date, the Compensation Committee, on behalf of Progress, entered into a letter agreement with Joseph W. Alsop, Progress’ Chief Executive Officer, regarding his fiscal 2005 stock option grant. In that agreement, Progress committed to grant Mr. Alsop a non-qualified stock option to purchase 120,000 shares of Progress common stock. However, Progress decided to defer the grant of the option until Progress shareholders approve an increase in the number of shares available for grant under the company’s shareholder approved plans and the Compensation Committee determines that a sufficient number of shares are available to make the grant and to meet its other objectives. The stock option will have an exercise price equal to the fair market value of the Progress common stock on the future date of grant. The stock option will vest as if it had been granted on November 15, 2005 and otherwise will have terms identical to other options granted to employees on that date who had six months of service with Progress as of March 1, 2005. The option will also have such other terms and conditions as the Compensation Committee may determine at the time of grant.

The description of the letter agreement with Mr. Alsop in this current report on Form 8-K does not purport to be complete and is qualified in its entirety by reference to the letter agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated by reference in its entirety herein.

**Item 9.01 Financial Statements and Exhibits**

**(d) Exhibits.**

<u>Number</u>	<u>Description</u>
10.1	Letter agreement dated November 15, 2005 with Joseph W. Alsop regarding Fiscal 2005 Stock Option Grant

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**PROGRESS SOFTWARE CORPORATION**

Dated: November 18, 2005

By: /s/ Norman R. Robertson

Norman R. Robertson

Senior Vice President Finance and Administration and Chief Financial Officer  
(Principal Financial Officer)

**EXHIBIT INDEX**

<u>Number</u>	<u>Description</u>
10.1	Letter agreement dated November 15, 2005 with Joseph W. Alsop regarding Fiscal 2005 Stock Option Grant

[Progress letterhead]

November 15, 2005

Joseph W. Alsop  
c/o Progress Software Corporation  
14 Oak Park  
Bedford, Massachusetts 01730

Re: Fiscal 2005 Stock Option Grant

Dear Joe:

The Compensation Committee of the Board of Directors of Progress Software Corporation wishes to thank you for your contributions to the continued success of Progress. The Compensation Committee has determined that, in recognition of your achievements and your expected contributions to the future performance of Progress, you should be rewarded with a non-qualified stock option to purchase 120,000 shares of Progress common stock.

The Compensation Committee has also determined that, at present, there is an insufficient number of shares available for grant under Progress' shareholder-approved plans to permit the Compensation Committee both to make the foregoing grant to you and to retain enough shares under those plans to meet the Compensation Committee's other objectives. Nasdaq rules prohibit the Compensation Committee from authorizing any stock option grant to you except pursuant to a shareholder-approved plan or otherwise with the approval of our shareholders.

Accordingly, the Compensation Committee has decided that it should defer the award of this stock option until our shareholders have approved an increase in the number of shares available for grant under our existing stock plans or a new plan that is large enough to enable the Compensation Committee to make the foregoing grant and meet its other objectives. The Compensation Committee intends to recommend that Progress seek shareholder approval of such an increase at a future annual meeting of shareholders. Promptly after the Compensation Committee determines that a sufficient number of shares are available, the Compensation Committee will authorize the grant of this stock option to you (provided that you remain employed by Progress). The grant of the stock option will also be subject to the satisfaction of any additional legal obligations Progress may have at that time, but otherwise the commitment made in this letter is intended to be legally binding on Progress.

The stock option will have an exercise price equal to the fair market value of the Progress common stock on the date of grant. The stock option will vest as if it had been granted on November 15, 2005. In other words, the stock option will be immediately vested and exercisable with respect to at least 9/60ths of the option, and the balance of the option will vest and be exercisable in equal monthly increments ending on the last vest date of the options granted to

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employees on November 15, 2005 without deferral arrangements. The stock option will have such other terms and conditions as the Compensation Committee may determine at the time of grant.

In the event of any stock split, stock dividend or similar adjustment in the Progress common stock before the date of grant, the Compensation Committee will make an appropriate adjustment to reflect that event.

Each member of the Compensation Committee thanks you for your service to Progress and regrets that Progress is unable to reward you appropriately at this time.

Sincerely,

Progress Software Corporation

By: The Compensation Committee of the Board of Directors

By: /s/ Roger J. Heinen  
Roger J. Heinen

By: /s/ Scott A. McGregor  
Scott A. McGregor